

PROCEEDINGS  
OF THE  
**Board of Trustees**  
OF THE  
**Public School Teachers' Pension and  
Retirement Fund of Chicago**

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**Regular Meeting – Official Report**

**Thursday, August 15, 2019**

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A regular meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, August 15, 2019.

The Vice President, Ms. Mary Sharon Reilly, called the meeting to order at 9:31 a.m.

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**PUBLIC PARTICIPATION**

**Presentation by Louis Pyster**

Mr. Louis Pyster, a retired member, requested information regarding 7% pension pick up made by the Chicago Public Schools, CTPF's Health Insurance enrollment, and whether or not safeguards are put in place for the Fund to monitor Investment managers who are minority firms.

The Executive Director, Charles A. Burbridge addressed Mr. Pyster's concerns.

**Presentation by Maria J. Rodriguez**

Ms. Maria J. Rodriguez, a CTPF Trustee, addressed the Board on behalf of Marianne Corcoran, a CTPF member, in regards to a settlement filed with the Chicago Public Schools. Ms. Corcoran requested that the Board look into the status of her settlement and disability pension application.

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## ROLL CALL

Members present: Mr. Robert F. Bures, Ms. Gervaise Clay, Mr. Miguel del Valle, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Jerry Travlos, Mr. Dwayne Truss – 10

Members absent: Mr. Jeffery Blackwell, Mr. James Cavallero – 2

Also in attendance were Mr. Charles A. Burbridge (*Executive Director*), Ms. Mary Cavallaro (*Deputy Executive Director*), Mr. Daniel J. Hurtado (*Chief Legal Officer*), Ms. Adriane McCoy (*Internal Audit Director*), Ms. Angela Miller-May (*Chief Investment Officer*), Mr. Joseph Burns, of Jacobs, Burns, Orlove and Hernandez (*Board Counsel*), and various observers and staff members.

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## CONSENT AGENDA

### **Motion to Approve Minutes of Regular Board Meeting on July 18, 2019, as Amended, Approved**

Ms. Price Ward made a motion, seconded by Ms. Padilla, to approve the minutes of the Regular Board Meeting on July 18, 2019, as amended. The motion passed unanimously.

### **Trustee Conferences**

Ms. Reilly requested approval to attend the Value Edge Advisors 2019 Conference, September 3-5 2019, in Deer Valley Mountain, UT.

Mr. Travlos requested approval to attend NCTR 97th Annual Conference October 12-15, 2019, in Nashville, TN.

### **Motion to Approve Trustee Conferences, Approved**

Ms. Price Ward made a motion, seconded by Mr. Bures, to approve the request for Trustee conferences as listed above. The motion passed by the following vote:

Ayes: Mr. Bures, Ms. Clay, Mr. del Valle, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Travlos, Mr. Truss – 9

Nays: Ms. Rodriguez – 1

### **Motion to Approve Trustee Training Hours, Approved**

Ms. Price Ward made a motion, seconded by Ms. Padilla, to approve the August 15, 2019, Trustee Training Hours. The motion passed unanimously.

### **July 25, 2019, Investment Committee Report, Approved**

The Board approved the July 25, 2019, Investment Committee Meeting Report.

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## **VOTE AGENDA**

### **Telephony Disaster Recovery Solution**

Ms. Vandana Vohra, Chief Technology Officer, stated the Board authorized the search of a Disaster Recovery Solution (DR) for the Fund's phone system and Call Center. Although the Fund's data center systems are protected and recoverable in the event of a disaster, there is no option currently available to recover, restore and maintain the Fund's phone and Call Center services in the event of a disaster to ensure business continuity of the Call Center. She further stated that the RFP process is the Fund's normal procurement means for projects costs above \$50K, the office move requirements do not allow sufficient time to submit and complete an RFP for this project. A thorough quote review process from several vendors was initiated instead of RFP. The IT team recommends that Telephony Disaster Recovery system is implemented prior to the office move to reduce the risk to the Fund. The team recommends allowing use of quotes from vendors for the Procurement Process. The team also recommends acquiring the solution proposed by Sentinel Technologies to provide a resilient Hybrid Telephony DR solution, reduce telecom expense management costs, provide for workforce mobility with softphones, and to turn up phone and Call Center business continuity service in the new office. Ms. Vohra addressed questions raised by the Board.

### **Motion to Accept the Staff Recommendation to Hire Sentinel Technologies, Approved**

Mr. Redfeairn made a motion, seconded by Mr. Bures, to accept the staff recommendation and hire Sentinel Technologies for Disaster Recovery Solutions, subject to final contract negotiations. The motion passed the following roll call vote:

Ayes: Mr. Bures, Ms. Clay, Mr. del Valle, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez, Mr. Travlos, Mr. Truss – 9

Abstentions: Ms. Padilla – 1

### **Ancillary Furniture Purchase Approval**

Mr. Charles A. Burbridge, Executive Director, and Ms. Gail Davis, Director of Administrative Services, reported on the Ancillary Furniture purchase. They stated that on June 20, 2019, the Board authorized the Fund to retain the services of BOS-AIS furniture vendors to furnish the new offices at 425 S. Financial Place. Of the \$795,650.00 total budget estimated for furniture, the Board approved an expense of \$346,590.53 for workstations and office furniture. Ancillary furniture, which includes but is not limited to Board Room and Conference Room furniture, and workstation efficiency options, which includes but is not limited to keyboard trays, tools storage bars and charging ports, were pending further assessment and evaluation by Fund staff, and were not a part of the previously approved workstations and office furniture costs. Fund staff is requesting approval to purchase ancillary furniture and workstation efficiency options, including installation and freight, at a cost not to exceed \$470,000. Mr. Burbridge and Ms. Davis addressed questions raised by the Board.

### **Motion to Approve Ancillary Furniture Expense, Approved**

Mr. Redfeairn made a motion, seconded by Mr. Truss, to approve the ancillary furniture expense, not to exceed \$470,000. The motion passed by the following roll call vote:

Ayes: Mr. Bures, Ms. Clay, Mr. del Valle, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Travlos, Mr. Truss – 8

Nays: Ms. Rodriguez – 1

Abstentions: Ms. Clay, Ms. Padilla – 2

**Communications Consultant**

Mr. Burbridge reported that the Fund's Director of Communications, Ms. Tracey Schroeder, is leaving the Fund at the end of August 2019. Staff is seeking to retain AM Communications as the Fund's Communications Consultant while the Fund seeks a new Director of Communications. He noted that AM's members, Michelle Holleman and Alyssa Knobel, have been working with the Fund for many years and their assistance will ensure a smooth transition until a new Director of Communications is hired. Mr. Burbridge stated that the proposed five-month engagement of AM Communications could cost up to \$115,000 and requires Board approval. Mr. Burbridge addressed questions raised by the Board regarding utilizing staff in lieu of utilizing a Communications Consultant, until a Director of Communications is hired. Discussion ensued.

**Motion to Retain AM Communications, Approved**

Ms. Price Ward made a motion, seconded by Mr. Bures, to approve the retention of AM Communications, at a cost not to exceed \$115,000, subject to final contract negotiations. The motion passed by the following roll call vote:

Ayes: Mr. Bures, Mr. del Valle, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Travlos, Mr. Truss – 8

Nays: Ms. Clay – 1

Abstentions: Ms. Rodriguez – 1

**Plante Moran Audit Letter**

Mr. Joe Kowalski and Ms. Emily Phillipp, external auditors, presented their pre-audit process and plan. They reported that Plante Moran is in the process of auditing the Fund's financial statements for the year ending June 30, 2019, and the audit of the Separate Schedule of Pension Amounts schedule issued under GASB 68 for the year ending June 30, 2019. Mr. Kowalski and Ms. Phillipp addressed questions raised by the Board.

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**REPORT OF THE COMMITTEE ON INVESTMENTS****Callan 2nd Quarter Performance Report**

Ms. Brianne Weymouth and Mr. Angel Haddad of Callan Associates, and Ms. Angela Miller-May, Chief Investment Officer, reported on the 2nd Quarter Performance Report. They reported that the Fund was valued at \$10.7B at the end of the 2nd quarter representing an increase of \$100M from March 31, 2019. The Fund outperformed the Total Fund Benchmark by 26 basis points, net of fees and ranked in the 11th percentile of peers. Ms. Weymouth, Mr. Haddad and Ms. Miller-May addressed questions raised by the Board.

**Watch List Update**

Ms. Miller-May and Ms. Weymouth reviewed the managers that are on CTPF's Watch List. In Accordance with the Watch List policy, Callan recommends removing Ariel due to manager performance improvements. They addressed questions raised by the Board.

**Motion to Remove Ariel from Watch List, Approved**

Mr. Truss made a motion, seconded by Mr. Travlos, to accept Callan's recommendation to remove Ariel from the Watch List. The motion passed by the following vote:

Ayes: Mr. Bures, Mr. del Valle, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Travlos, Mr. Truss – 7

Abstentions: Ms. Clay, Ms. Padilla, Ms. Rodriguez – 3

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**BOARD TRAINING**

CTPF staff covered Board Training and made presentations to the Board which included, Fiduciary Training, Trustee Travel Training, and Media Training.

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**REPORT OF THE ELECTIONS COMMITTEE****Election Update**

Ms. Gail Davis, Election Coordinator, and Ms. Cecilia Vega, Executive Assistant, updated the Board on the upcoming Trustee elections. They reported that the internal Election team meets daily for reporting progress and any risk mitigation. They also reported that the team has developed an internal timeline to stay on track with key dates, and commented on the ongoing development of an Elections project plan for future elections. Ms. Davis thanked Chairperson Padilla for participating on the team's weekly election call to the Fund's election agent on August 2, 2019. Ms. Davis and Ms. Vega addressed questions raised by the Board.

**Motion to go into Executive Session, Approved**

Ms. Padilla made a motion, seconded by Mr. Redfeairn, to go into Executive Session for the purpose of discussing litigation matters, personnel matters, and internal control matters. The motion passed unanimously.

The Executive Session lasted from 1:26 p.m. to 4:17 p.m.

Mr. Bures left the meeting during Executive Session.

**Motion to go into Open Session, Approved**

Ms. Rodriguez made a motion, seconded by Ms. Price Ward, to go into Open Session.

The motion passed unanimously.

Ms. Clay left the meeting.

**Motion to Approve Disability Applicants, Approved**

Ms. Padilla made a motion, seconded by Mr. Truss, to approve the non-duty disability applicants presented in Executive session of this meeting. The motion passed by the following vote:

Ayes: Mr. del Valle, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Travlos, Mr. Truss – 7

Abstentions: Ms. Rodriguez – 1

**Motion to Solicit Quotes for Website Services, Approved**

Mr. Redfeairn made a motion, seconded by Mr. del Valle, to solicit quotes for website services, and to authorize the Chair of Technology Committee to approve staff recommendations.

The motion passed unanimously.

**Finance and Audit Committee Meeting Directive and Recommendations**

Chairperson Redfeairn reported that at the July 11, 2019, Finance and Audit Committee meeting, the Committee recommended the following directives to be put in place: (1) Business Impact Analysis to be completed by the IT Department (2) IT Roadmap Update be completed by the IT Department, and (3) Quarterly Budget to Actual Review Report by Finance.

**Motion to Adopt Finance and Audit Committee Directive and Recommendations, Approved**

Mr. Redfeairn made a motion, seconded by Ms. Padilla, to adopt the recommendation from the Finance and Audit Committee Meeting to be effective immediately. The motion passed by the following vote:

Ayes: Mr. del Valle, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Travlos, Mr. Truss – 7

Nays: Ms. Rodriguez – 1

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**MEETING ADJOURNED**

Mr. Redfeairn made a motion, seconded by Ms. Rodriguez, to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 5:07 p.m.

Respectfully submitted,



Jacqueline Price Ward  
Recording Secretary

PROCEEDINGS  
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**Executive Session – Official Report**  
**Thursday, August 15, 2019**

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An Executive Session of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, August 15, 2019.

The Vice President, Ms. Mary Sharon Reilly, called the meeting to order at 1:26 p.m.

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**ROLL CALL**

Members present: Mr. Robert F. Bures, Ms. Gervaise Clay, Mr. Miguel del Valle, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Jerry Travlos, Mr. Dwayne Truss – 10

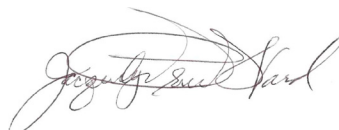
Members absent: Mr. Jeffery Blackwell, Mr. James Cavallero – 2

Also in attendance for portions of the Executive Session (with Mr. Burns attending in its entirety) were Mr. Charles A. Burbridge (*Executive Director*), Ms. Mary Cavallaro (*Deputy Executive Director*), Mr. Daniel J. Hurtado (*Chief Legal Officer*), Ms. Adriane McCoy (*Internal Audit Director*), and Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Board Counsel*).

Discussion ensued regarding litigation matters, personnel matters, and internal control matters. No action was taken.

There being no further business, the Executive Session adjourned at 4:17 p.m.

Respectfully submitted,



Jacqueline Price Ward  
Recording Secretary



Chicago Teachers' Pension Fund



## INVESTMENT COMMITTEE REPORT

Date: July 25, 2019

Submitted by: Tina Padilla, Chairperson

Meeting Time: 9:34 a.m.—1:37 p.m.

## ATTENDEES

Trustees	Staff	Consultant
Ms. Tina Padilla, Chairperson	Ms. Angela Miller-May, Chief Investment Officer	Ms. Brianne Weymouth, Callan Associates
Mr. Robert Bures		
Ms. Jacquelyn Price Ward		
Ms. Mary Sharon Reilly		

## AGENDA ITEMS

- Education Session
  - CTPF Fixed Income Structure and Manager Review
- Due Diligence Presentations

## Education Session

### Performance Monitoring for Total Fund Evaluation

Ms. Brianne Weymouth, Callan Associates, reviewed the Fund's Fixed Income structure and manager review process. Ms. Weymouth also discussed the role of the manager's strategy in the structure. Ms. Weymouth addressed questions raised by the Committee.

### Due Diligence Presentations

Representatives from Pantheon, Zevenbergen, Mesirow, Adams Street, JP Morgan Real Estate & Infrastructure, Fortress Japan and Cityview presented to the Board. The managers reviewed organization, strategy, performance and fees. The managers addressed questions raised by the Trustees.

### Adjournment

The meeting adjourned at 1:27 p.m.